## **SOCIOECONOMIC PROFILE - PINEDALE**

The Pinedale Field Office is located in western Wyoming in portions of Lincoln and Sublette counties. Activities in the planning area have the potential to affect not only these two counties but also the adjacent county of Sweetwater. This is due to the fact that important economic centers are located in Sweetwater County that provide services and products to individuals and businesses in Lincoln and Sublette counties. Therefore, the economic study area will include Lincoln and Sublette counties covered by the Pinedale Field office and Sweetwater County (outside the Pinedale RMPPA).

# 1.0 County Characteristics

Like much of Wyoming, the economic study area is quite rural in nature. All three counties have a rather large land area with a dispersed population as summarized in Table 1-1. The number of persons per square mile range from 1.2 in Sublette County to 3.6 in Lincoln and Sweetwater counties, which are below the state and national average.

Table 1-1
Geographic Characteristics of Study Area

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Geographic Characteristic	Lincoln	Sublette	Sweetwater	Wyoming	U.S.			
Land Area (Millions of Acres)	2.6	3.1	6.7	62.1	2,200			
Land Area (Sq. Miles)	4,069	4,883	10,425	97,100	3,537,441			
Persons Per Square Mile	3.6	1.2	3.6	5.1	79.6			

Source Data: Census Bureau State and County Quickfacts

The largest population centers in the study area are listed in Table 1-2. These areas are reporting changes in population over the last decade that vary by location. Many of the largest towns in the southern portions of the study area are reporting declines in population while smaller communities such as Afton and Pinedale are showing increases in population.

Table 1-2
Population Centers

County	City		Population					
		1990	2000	% Change				
Lincoln	Afton	1,394	1,818	30.4				
	Kemmerer	3,020	2,651	-12.2				
Sublette	Pinedale	1,181	1,412	19.6				
Sweetwater	Green River	12,711	11,808	-7.1				
	Rock Springs	19,050	18,708	-1.8				

Land ownership in the study area is summarized in Figure 1-1. Public lands dominate this area with currently 67 percent of total land area being owned and managed by federal agencies including the BLM. The Pinedale Field Office comprises approximately 931,000 surface acres, which accounts for 16 percent of Lincoln and Sublette counties where these lands area located. In addition, the field office is responsible for 1.18 million acres of BLM-administered federal mineral estate.

Private 20%

State 4%

Federal 67%

Figure 1-1 Land Ownership

Source:

Wyoming Division of Economic Analysis

# 2.0 Demographic Characteristics

# 2.1 Population

Annual population estimates for each county in the study area for 1980-2000 are plotted in Figure 2-1. Population increased slightly by 3.6 percent over the twenty years in the study area equating to an annual average increase of less than one percent per year. However, as mentioned above, population growth varied across the area with Sweetwater County reporting a decline in population while Lincoln and Sublette reported a 15 to 20 percent increase.

Examination of the components of population growth reveals some additional insights. In Table 2-1 components of population change show that increases in population in this area are due to natural changes (more births than deaths) while net migration continued to draw individuals away from the area. Overall, the study area followed a statewide trend of declining population due to net migration. All counties experienced declines in population due to net migration during both decades, with population declining by 20 percent during the 1980s and 2 percent during the 1990s. The trend indicates that more individuals continue to leave than are moving into the area in spite of the increases in total population during the last two decades. While this trend is applicable to each of the counties as a whole, there is evidence that certain communities such as Pinedale and Afton are experiencing population increases due to in-migration.

Figure 2-1
Population Estimates
Counties in Study Area 1980-2000

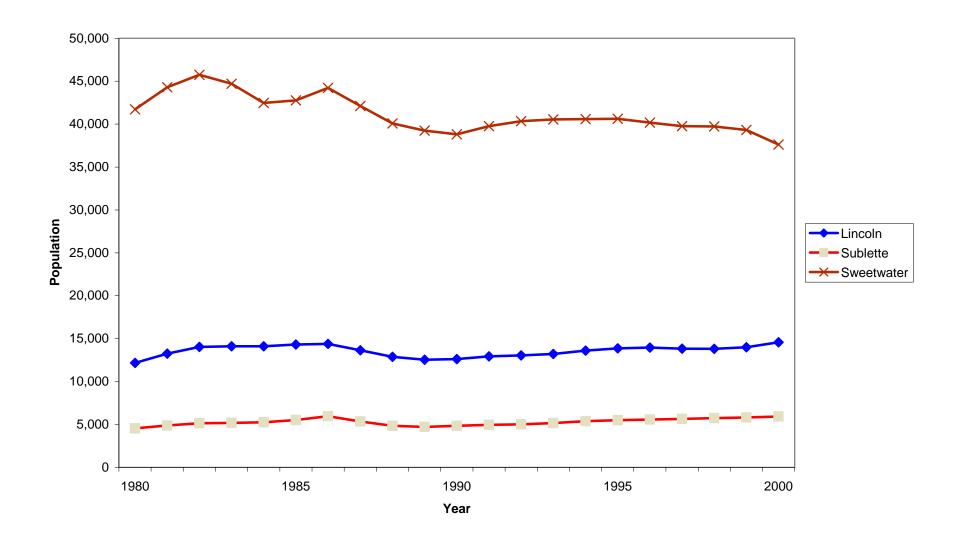


TABLE 2 – 1 COMPONENTS OF POPULATION CHANGE 1990 – 1999 LINCOLN, SUBLETTE AND SWEETWATER COUNTIES 1990 – 1999

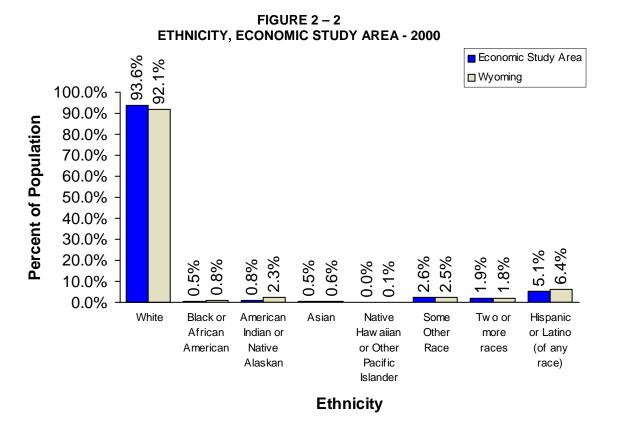
	1990	1999	Numeric Change in	Percentage Change in Total Population	Cumulative	Cumulative		Natural Percentage Change in	Net	Percentage Change in Population Due to Net
County	Population	Population	1990-1999	1990-1999	Births	Deaths	Population	Population	Migration	Migration
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Lincoln, WY	12,625	13,998	1,373	10.88%	1,791	788	2,579	20.4%	-1,206	-9.55%
Sublette, WY	4,843	5,811	968	19.99%	612	405	1,017	21.0%	-49	-1.01%
Sweetwater, WY	38,823	39,322	499	1.29%	5,245	2,085	3,160	8.1%	-2,661	-6.85%
Study Area	56,291	59,131	2,840	5.05%	7,648	3,278	4,370	7.8%	-1,530	-2.72%
Wyoming	469,557	453,589	-15,968	-3.40%	91,165	32,059	59,106	6.00%	-1,382	-0.30%

# 1980-1990

County	1980 Population	1989 Population	Numeric Change in Population	Percentage Change in Total Population 1980-1990	Cumulative Births	Cumulative Deaths		Natural Percentage Change in Population	Net	Percentage Change in Population Due to Net Migration
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Lincoln, WY	12,177	12,625	448	3.68%	3,078	851	2,227	18.29%	-1,779	-14.61%
Sublette, WY	4,548	4,843	295	6.49%	859	340	519	11.41%	-224	-4.90%
Sweetwater, WY	41,723	38,823	-2,900	-6.95%	8,823	2,022	6,801	16.30%	-9,701	-23.25%
Study Area	58,448	56,291	-2,157	-3.69%	3,937	1,191	2,746	4.70%	-11,704	-20.02%
Wyoming	453,589	479,602	26,013	5.70%	60,099	32,704	27,395	12.60%	-1,382	-16.00%

Source: U.S. Census Bureau

The distribution of the population by ethnicity for 2000 in the study area and the state of Wyoming is summarized in Figure 2-2. The study area mirrors the rest of the state with a very small population of minority groups, which is common throughout Wyoming.



## 2.2 Poverty Rates

The U.S. Census Bureau estimates poverty levels using a set of money income thresholds that vary by family size and composition. If a household's income is below the money threshold, then the family and all the individuals of that household are considered poor. Using this criterion, the Census Bureau provides estimates of the percentage of individuals that fall below the poverty level for each county in the U.S. Poverty estimates are also provided for different regions of the U.S. as well as the U.S. as a whole.

Table 2-2 summarizes the estimated poverty rates for the three counties in the study area, Wyoming, the West and the U.S. For these three counties, estimated poverty levels over the last decade have been below the state, regional and national averages.

TABLE 2 – 2 Poverty Rates

Poverty Rates 1998 and 1989

Location	1989	1998
Lincoln, Co.	9.8%	9.3%
Sublette, Co.	8.4%	8.4%
Sweetwater, Co.	8.0%	8.1%
Wyoming	11.9%	11.4%
West	12.5%	14.6%
U.S.	12.8%	13.3%

Source: U.S. Census Bureau, State Model Estimates of the Percentage of Persons of All Ages in Poverty

## 2.3 PERSONAL INCOME TRENDS

Personal income data was obtained for each county in the study area from the U.S. Bureau of Economic Analysis. Figure 2-3 shows the components of personal income for 1990 through 1999 for all counties in the study area (2001 inflation adjusted dollars). During this period, total personal income increased to over \$1.5 billion in 1999, up from \$1.2 billion in 1989. Moreover, personal income grew by nearly 24 percent over this same tenyear period.

Personal income can be broken down into three categories: labor income, investment income and transfer payments. Labor income is derived through wages, salaries and self-employment income. Investment income includes income in the form of rents, dividends and interest earnings. Finally, transfer payments is largely derived from Social Security benefits, Medicare and Medicaid benefits and other income support and assistance.

The study area is showing signs of slightly shifting patterns of income growth. Labor income still dominates personal income and accounted for 67 percent of total personal income in 1999. However, income from non-labor sources has grown from 28 percent in 1989 to 33 percent in 1999. Stated in another way, non-labor sources grew by 90 percent compared to labor income that grew by 14 percent over this same time period. This change in how individuals earn income is not unlike national or state trends. For the nation as a whole, labor income accounted for 68 percent of personal income in 1999. Similarly, labor income as a percentage of total income in Wyoming fell from 82 percent in 1979 to 66 percent in 1999.

Investment income in the study area grew by 35 percent between 1989 and 1999 and accounted for 23 percent of personal income by 1999. Investment income as a percentage of personal income for this area in 1999 was higher than the national average (19 percent) but below the state average (40 percent). The increasing dependence on investment income is common throughout the country with the increasing percentage of the population being retired. However, it appears that this area is more dependent on investment income,

which may be a sign that more individuals of retirement age are picking this area to reside. A trend that is common in many areas in the inter-mountain West.

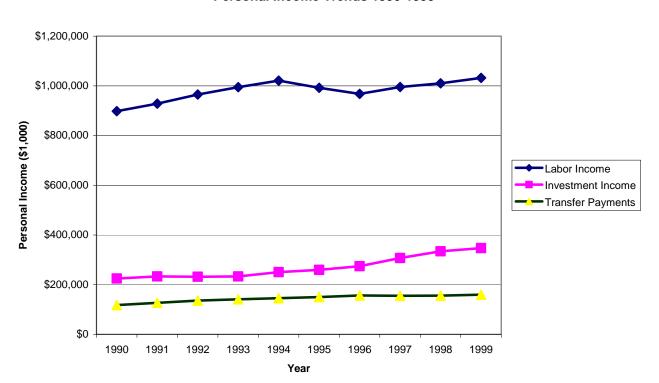


Figure 2-3
Personal Income Trends 1990-1999

Transfer payments have remained constant in the economic study area during the 1990s, accounting for between 10 and 11 percent of personal income. This is slightly lower that state and national trends where transfer payments accounted for 12 percent of personal income for residents of Wyoming in 1999 and 13.1 percent nationally.

The study area has started to lag behind state and national trends in terms of per capita income. By 1999 per capita income for the study area was \$26,019, which was below the national (\$27,358) and state (\$27,528) averages. This is a deviation from 1989 when per capita income in the study area was very comparable to state and national averages.

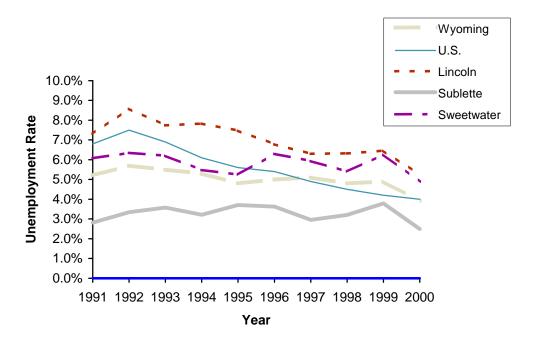
## 3.0 ECONOMIC CHARACTERISTICS

This section focuses on trends associated with certain economic characteristics in the study area. This includes changes in the labor force and unemployment and also trends in earnings by industry.

## 3.1 LABOR FORCE AND UNEMPLOYMENT

Change in the labor force and unemployment can provide information on the health of the local economy. The average annual unemployment rates for each county in the study area, Wyoming, and the U.S. are summarized in Figure 3-1. This Figure clearly illustrates unemployment in the much of the study area has been higher than unemployment for the state of Wyoming during the 1990s. The exception is Sublette County, which reported unemployment rates well below the state and national averages. But as mentioned above, unemployment rates in the other two counties have consistently been higher than the state and national averages since 1995.

FIGURE 3 - 1 UNEMPLOYMENT RATE, ECONOMIC STUDY AREA 1991 – 2000



Changes in the civilian labor force during the 1990's are summarized for each county and Wyoming in Table 3-1. The civilian labor force is defined as all persons over 16-years of age in the civilian non-institutional population who either had a job or was looking for a job in the last 12 months. Overall, the study area realized slower growth in the civilian labor force than for the state.

TABLE 3 – 1 CHANGE IN CIVILIAN LABOR FORCE 1991-2000

Location	Change in Civilian Labor Force Between 1991-2000	Percentage Change in Civilian Labor Force Between 1991-2000
Lincoln County, WY	582	9.7%
Sublette County, WY	542	20.1%
Sweetwater County, WY	-550	-2.7%
Economic Study Area	574	2.0%
Wyoming	31,810	14.0%

Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

## 3.2 EMPLOYMENT AND EARNINGS BY INDUSTRY

The U.S. Bureau of Economic Analysis (BEA) estimates annual employment and earnings for counties throughout the U.S. Total annual employment includes both full-time and part-time jobs so individuals with more than one job will be counted twice. The employment estimates include those that are employed by businesses and public entities as well as individuals that are self-employed. Data was obtained from BEA regarding total

annual employment for each county, Wyoming and the U.S. for 1990 through 1999 in order to examine trends in employment by industry over this ten-year period.

Total employment in the study area increased by 12 percent over the ten-year period from 32,805 in 1990 to 36,841 in 1999. Compared with employment growth in Wyoming and nationwide this area lagged behind. For instance, over the same ten-year period total employment grew by 20.4 percent in Wyoming and 19.3 percent nationwide.

Employment by industry for 1990 through 1999 is summarized in Figure 3-2. Services, government and retail trade comprise the largest percentage of total employment for this area. These three industries accounted for over 60 percent of total employment in 1999. In addition, these three industries experienced the greatest growth in employment accounting for 3,400 additional jobs over the ten-year study period. Industries showing the greatest decline in employment between 1990 and 1999 were mining and transportation and utilities.

Counties in the study area are typical of many rural areas throughout the West and rely heavily on traditional natural resource based industries such as mining and agriculture. For instance, mining employment, including oil and gas operations, remains important to this area accounting for 13 percent of total employment in 1999 compared to 5.5 percent throughout the state. In addition, this area is slightly more dependent on farm employment then the rest of the state. In 1999, farm and farm services employment accounted for 4.4 percent of total employment in the study area and 3.8 percent throughout Wyoming.

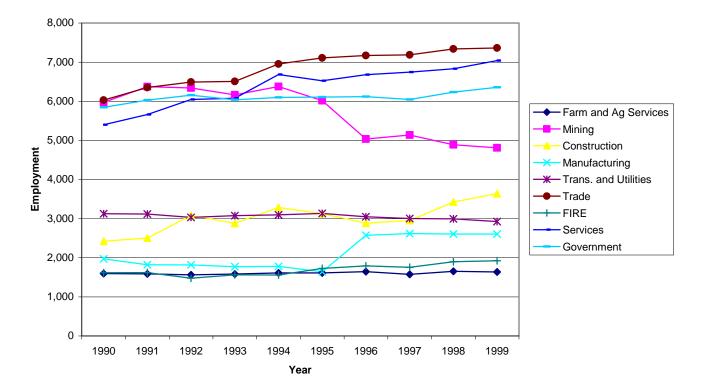
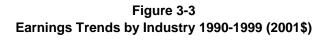


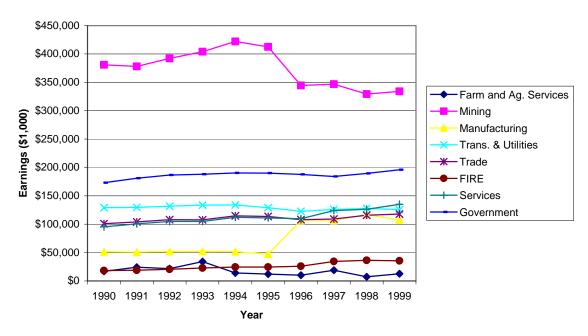
Figure 3-2 Employment Trends by Industry 1990-1999

Total Earnings by industry for counties in the study area, Wyoming and the U.S. for 1990 through 1999 were also obtained from BEA. Total gross earnings for all industries (private non-farm, farm and government) increased by 15 percent between 1990 and 1999. However, the study area realized significantly slower growth in real earnings than state or the nation as a whole where earnings increased by over 30 percent during this time period.

Figure 3-3 provides a summary of gross earnings by industry for the study area for 1990 through 1999. The mining sector remains a dominant industry accounting for over 40 percent of total earnings early in the 1990s but falling to 32 percent in 1999. This category includes metal, nonmetallic and coal mining and oil and gas operations. While mining remains important in terms of earnings for this area, the industry has reported a 12 percent decline in earnings between 1990 and 1999. Other industries reporting declines in earnings between 1990 and 1999 include farm and agricultural services (-25 percent) and transportation and utilities (-3 percent). One industry showing growth in earnings during this period was manufacturing. For this industry, earnings increased by 109 percent during the 1990s. Much of the growth in manufacturing occurred during the latter part of the period and now accounts for over 10 percent of the total earnings for this area.

Trends in average earnings per job are summarized in Figure 3-4. Mining provides the highest paying jobs of any industry for this area averaging \$69,000 in 1999.





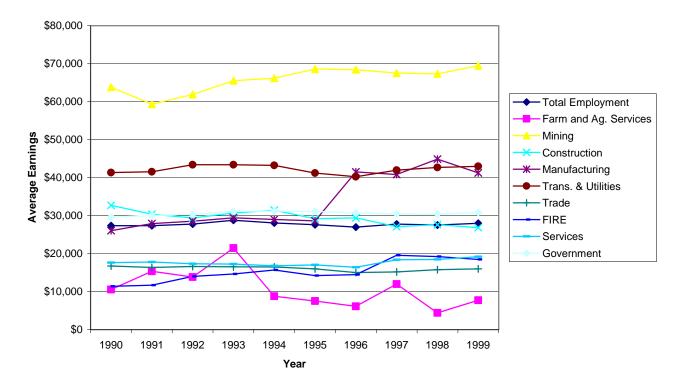


Figure 3-4
Average Real Earnings Per Job 1990-1999

## 3.3 ECONOMIC BASE

An area's economic base is comprised of industries that are primarily responsible for bringing outside income into the local economy. These industries typically export their goods and services outside the region and in turn support ancillary industries such as retail trade, housing construction and personal services. The location of important industries in certain areas has traditionally being tied to such factors as natural resource base, cost factors (transportation and labor) and existing transportation infrastructure. However, technology has affected these location factors.

To assess the importance of major industries as a basic industry, location quotients were calculated on nine major industries as listed in Table 3-2. A location quotient was calculated for both employment and income and compares each industry's share of total local employment or income to the industry's state or national share. This quotient yields a value generally between 0 and 2, where 1.0 indicates an equal share percentage between the local and state or national economies. Location quotients greater than 2 indicate a strong industry concentration while those less than 0.50 indicate a weak concentration.

Table 3-2 indicates the three county study area mirrors the state's economy as a whole in many ways. However, there are industries that show a stronger

concentration in the study area compared to the state's economy, which includes mining, manufacturing and transportation and utilities. Two industries that are weak in this area compared with the state are Services and F.I.R.E. When compared to the national economy, mining shows an extremely high concentration in both employment and earnings. This is true for the earnings in the transportation and utilities sector as well. Alternatively, earnings for farm and ag services, manufacturing, trade and FIRE for the study area show weak concentration compared to the national economy.

Table 3-2 Location Quotients – 2000

	Employ	yment	Earn	Earnings		
Industry	Location Quotient (WY)	Location Quotient (U.S.)	Location Quotient (WY)	Location Quotient (U.S.)		
Farm and Ag Services	1.12	1.53	0.43	0.23		
Mining	2.22	26.20	2.09	182.63		
Construction	1.17	1.53	0.99	1.80		
Manufacturing	1.79	0.66	1.78	0.27		
Trans. and Utilities	1.54	1.68	1.21	12.55		
Trade	0.96	0.95	0.78	0.31		
FIRE	0.76	0.65	0.59	0.38		
Services	0.74	0.60	0.60	3.86		
Government	0.90	1.30	0.71	1.53		

# 4.0 Property Valuation and Taxation

Total property valuation for the two counties in the study area for 2001 is summarized in Table 4-1. This includes property assessed by the State of Wyoming and locally assessed property. The State of Wyoming assesses taxes on both mineral and non-mineral property. Non-mineral property assessed by the state includes airlines, utilities, pipelines and gas distribution systems, railroads, and phone service. During fiscal year 2001, the valuation of property assessed by the state was \$2.2 billion for the study area. Local government also assesses four categories of property including agricultural land, residential and commercial land, improvements and personal property and industrial property. During fiscal year 2001, the value of property assessed by local governments in the study area exceeded \$569 million as summarized in Table 4-1. Total value of assessed property in the three county study area was \$2.8 billion in fiscal year 2001. A breakdown of assessed values by property category is provided in Figures 4-1 and 4-2.

Mineral production in the study area is a major source of tax revenue for government entities. For instance, during fiscal year 2001, minerals accounted for nearly 74 percent of

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<sup>&</sup>lt;sup>1</sup> Wyoming Department of Revenue Annual Report – Fiscal Year 2001, Cheyenne, Wyoming.

the value of property assessed in the study area. In addition, oil and gas production and operations provide a significant percentage of the assessed value of minerals. Table 4-2 summarizes the assessed value of oil and gas production and property for fiscal year 2001 for each of the counties in the study area. For 2001, oil and gas production accounted for 82 percent of all mineral valuation in the study area as assessed by the state. For Sublette county, oil and gas production accounted for nearly 100 percent of all assessed mineral production. In addition, physical assets of the oil and gas industry (property) comprised 27 percent of all property assessed by local governments. Of all property and production assessed by the state and local governments, oil and gas operations accounted for 67 percent of assessed value in the three counties in the study area during fiscal year 2001.

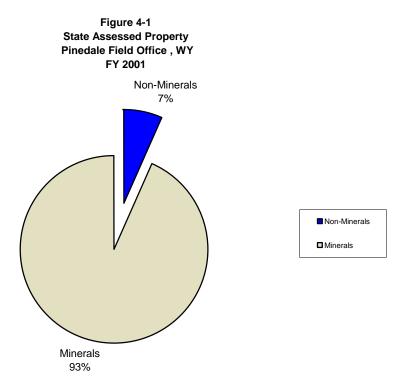
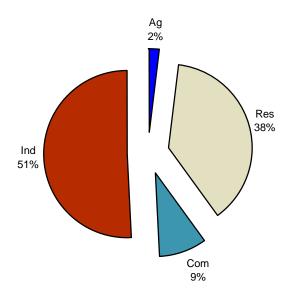


Figure 4-2 Locally Assessed Property Pinedale Field Office Study Area 2001





Socioeconomic Profile – Pinedale January 2003

Table 4-1
Assessed Property Valuations by County for 2001

	Valuation	of State- Assess	sed Property		Valuation of I	ocally Assesse	d Property		
County	Non-Minerals	Minerals	Total State Assessed Property	Agricultural Land	Residential Land, Improvements and Personal Property	Commercial Land, Improvements and Personal Property	Industrial Property	Total Locally Assessed Property	Total State and Locally Assessed Property
Lincoln	\$31,520,490	\$389,114,846	\$420,635,336	\$4,528,270	\$57,895,895	\$10,645,248	\$80,372,501	\$153,441,914	\$574,077,250
Sublette	\$3,016,001	\$736,914,219	\$739,930,220	\$4,206,714	\$48,202,080	\$9,086,904	\$49,876,297	\$111,371,995	\$851,302,215
Sweetwater	\$122,849,306	\$980,185,196	\$1,103,034,502	\$3,105,344	\$110,041,844	\$32,191,664	\$158,602,935	\$303,941,787	\$1,406,976,289
Total - Study Area	\$157,385,797	\$2,106,214,261	\$2,263,600,058	\$11,840,328	\$216,139,819	\$51,923,816	\$288,851,733	\$568,755,696	\$2,832,355,754

Table 4-2

Assessed Value of Oil and Gas	Production and Property	in Study	Area for Fiscal Vear 2001
ASSESSED VALUE OF OIL ALIG GAS	Froduction and Froperty	/ III Stuay	Alea lui Fiscal Teal 2001

County	Oil and Gas	Oil and Gas Valuation as Percentage of Total Mineral Valuation	Oil and Gas Extraction and Refining Property Valuation	Oil and Gas Property as a Percentage of Total Property Valuation	Oil and Gas Valuation as Percentage of Total State and Local Assessed Property Valuation
Lincoln	\$329,028,236	84.56%	\$70,423,044	45.90%	70%
Sublette	\$736,577,260	99.95%	\$42,147,672	37.84%	91%
Sweetwater	\$670,371,775	68.39%	\$42,161,137	13.87%	51%
<b>Total Study Area</b>	\$1,735,977,271	82.42%	\$154,731,853	27.21%	67%

## 4.1 Ad Valorem Taxes - Counties

Estimated ad valorem taxes from mineral production for each county during fiscal year 2001 is summarized in Table 4-3. The estimated ad valorem taxes for each mineral type are based on production and assessed values and the effective tax rates, which were obtained from the Wyoming Department of Revenue, Mineral Tax Division and the Wyoming Taxpayers Association. The counties generated \$114 million in tax revenues from mineral production during fiscal year 2001. Of this \$114 million, \$103 million was derived from oil and gas production or 91 percent. Ad valorem taxes derived from mineral production accounted for 65 percent of total county tax levies in 2001. Table 4-4 provides an estimate of the ad valorem taxes assessed on property associated with oil and gas operations. During fiscal year 2001, the three counties generated an estimated \$5.4 million in property taxes associated with oil and gas extraction assets.

Table 4-3
Estimated Mineral Ad Valorem Tax Revenues - Fiscal Year 2001

County	Natural Gas	Crude Oil	Stripper Oil	Coal	Sand and Gravel	Trona	Total	Property Tax Levy <sup>a</sup>	Mineral Tax Levy as Percentage of County Tax Levy
Lincoln	\$17,455,222	\$1,074,305	\$108,167	\$3,391,850	\$11,736	\$0	\$22,041,281	\$35,104,400	63%
Sublette	\$38,224,451	\$4,734,654	\$387,730	\$0	\$19,830	\$0	\$43,366,665	\$51,050,435	85%
Sweetwater	\$35,541,587	\$6,938,002	\$51,925	\$6,544,036	\$28,479	\$13,087,491	\$49,104,029	\$89,145,656	55%
Total Study Area	\$91,221,261	\$12,746,962	\$547,822	\$9,935,886	\$60,045	\$13,087,491	\$114,511,975	\$175,300,491	65%

Table 4-4
Estimated Ad Valorem Tax Revenues on Oil and Gas
Property - Fiscal Year 2001

County	Assessed Valuation	Average Tax Levy	Total Estimated Ad Valorem - Property
Lincoln	\$4,164,668	68.58	\$1,821,168
Sublette	\$42,147,672	58.85	\$2,480,348
Sweetwater	\$42,161,137	63.44	\$2,674,899
Total Study Area	\$88,473,477		\$5,391,154

Table 4-5 estimates the importance of oil and gas operations in terms of local government property tax revenues. The three counties in the study area generated \$109 million in tax revenues due to oil and gas operations. This accounted for 63 percent of property taxes generated in this area for fiscal year 2001.

Table 4-5
Oil and Gas Tax Revenues as Percentage of Total County Property Taxes Fiscal Year 2001

Total Ad Valorem Ta County Revenue - Oil and Gas		Total County Property Tax Revenues	Oil and Gas Tax Revenue as Percentage of Total County Property Tax Revenues
Lincoln	\$20,458,863	\$35,104,400	58%
Sublette	\$45,827,184	\$51,050,435	90%
Sweetwater	\$45,206,413	\$89,145,656	51%
Total Study Area	\$109,907,198	\$175,300,491	63%

# **4.2** Mineral Severance Taxes – State of Wyoming

Local government entities also benefit from severance taxes collected on mineral production throughout the state. Table 4-1 shows that \$2.4 billion was assessed by the state of Wyoming for mineral production in the three county study area. However, severance taxes collected on mineral production are distributed within the state according to a formula published in the state statutes.<sup>2</sup> Severance tax revenues are distributed to a variety of sources including the state general fund, water development account, state highway fund, counties, cities and towns. Therefore, the government entities within the study area will only benefit from a percentage of severance taxes collected on production within the study area. However, these entities will also benefit from severance taxes

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<sup>&</sup>lt;sup>2</sup> W.S. 39-14-801.

collected on mineral production occurring in other parts of the state as well. Table 4-6 summarizes the total severance tax revenues that were distributed to the local government entities within the study area during fiscal year 2001.

Table 4-6

Total Severance Tax Distributions for Government Entities in the Study Area. FY 2001

Otday Arca, 1 1 2001				
Area	Severance Tax Distributions			
Counties in Study Area	\$1,687,498			
Total Severance Taxes Distributed to All Counties in WY	\$13,843,706			
Percentage Distributed to Study Area Counties	12%			
Cities and Towns in Study Area	\$4,829,125			
Total Severance Taxes Distributed to All Cities/ Towns in WY	\$35,370,306			
Percentage Distributed to Study Area Cities/Towns	14%			

Source: Annual Report of the Treasurer of the State of Wyoming, June 30, 2001.

Table 4-7 estimates the severance taxes that are generated from mineral production originating within the study area. The estimated severance taxes for each mineral type are based on production and assessed values and the effective tax rates, all of which were obtained from the Wyoming Department of Revenue, Mineral Tax Division. Natural gas production generated the most severance tax revenue in the study area, accounting for 73 percent of all severance taxes generated.

Table 4-7
Severance Taxes Generated by Product

County	Natural Gas	Crude Oil	Stripper Oil	Coal	Trona	Sand and Gravel	Total
Lincoln	\$17,872,872	\$1,081,045	\$76,383	\$4,191,559	\$0	\$4,144	\$23,226,003
Sublette	\$37,672,996	\$4,585,894	\$263,542	\$0	\$0	\$6,739	\$42,529,172
Sweetwater	\$32,491,495	\$6,233,244	\$32,737	\$7,220,190	\$8,248,759	\$8,978	\$54,235,402
Total - Study Area	\$88,037,363	\$11,900,183	\$372,662	\$11,411,749	\$8,248,759	\$19,861	\$119,990,577
Percentage of Severance Taxes Generated from Each Product	73.4%	9.9%	0.3%	9.5%	6.9%	0.02%	100.0%

## 4.3 Federal Royalties

Mineral production occurring on federally owned public lands are also assessed a federal mineral royalty. Production is assessed at 12.5 percent of value after allowable deductions. The federal government then returns fifty percent of the total royalties collected to the state where the mineral production occurs.

In Wyoming, the distribution of the federal royalties is based on a formula promulgated by the Wyoming State Statutes.<sup>3</sup> The state allows a percentage of these federal royalties to be distributed to cities and towns for planning, construction and maintenance of public facilities, capital construction funds and transportation projects. In addition, local school districts may benefit from federal royalty payments through advanced entitlement grants for capital construction funds.

Total federal royalties distributed to local government agencies in the study area for fiscal year 2001 were \$4.2 million.<sup>4</sup>

## 4.4 Other Tax Revenue Sources

Other tax revenue sources that may be impacted by management actions associated with BLM lands include lodging taxes, sales and use taxes and gas taxes. Annual receipts from these taxes for the four counties are summarized below.

Table 4-8 indicates lodging taxes are relatively small compared to other tax sources generating approximately \$290,000 on average per year for these counties. On the other hand, sales and use taxes produced substantially more tax revenue, which is depicted in Table 4-9. This source generated slightly more than \$29.3 million on average per year for all three counties over the period between 1999 and 2001. And Sweetwater county accounted for the lions share, which was an annual average of about \$21.3 million.

Table 4-8
Lodging Tax Distributions

County	FY 1999	FY 2000	FY 2001	
Lincoln <sup>a</sup>	\$12,129	\$12,545	\$11,144	
Sublette	\$0	\$0	\$8,858	
Sweetwater	\$247,099	\$270,368	\$307,111	

Source: Wyoming Department Revenue Annual Report - FY 2001

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<sup>&</sup>lt;sup>a</sup> Lincoln county does not impose a lodging tax. However, two cities within the county, Afton and Cokeville do impose a lodging tax and the distributions shown for Lincoln County reflect these two cities.

<sup>&</sup>lt;sup>3</sup> W.S. 9-4-601.

<sup>&</sup>lt;sup>4</sup> Annual Report of the Treasurer of the State of Wyoming, June 30, 2001.

Table 4-9
Sales and Use Tax Distributions, 2000

Jurisdiction	FY 1999 FY 2000		FY 2001	
Lincolna	\$4,731,596	\$5,376,552	\$4,929,796	
Sublette <sup>a</sup>	\$2,309,041	\$2,467,704	\$4,293,009	
Sweetwater <sup>a</sup>	\$19,190,295	\$22,413,185	\$22,413,185	

Source: Wyoming Department Revenue Annual Report - FY 2001

## 4.5 Payment in Lieu of Taxes (PILT)

Each of the counties in the study area receive Payments in Lieu of Taxes (PILT) to compensate local governments for hardships caused by Federal lands being exempt from local property taxes. PILT payments are allowed in addition to other revenue sharing programs such as federal mineral royalties and U.S. Forest Reserve payments. The PILT payment made to each county is based on a complex formula that takes into account revenue sharing from the previous year, county population, and acreage of the county in Federal ownership. PILT payments received by each of the three counties for the last ten years are summarized in Table 4-10.

Table 4-10
PILT Payments for Counties Near Pinedale Field Office 19912001

		2001		
Year	Lincoln	Sublette	Sweetwater	Total
1991	\$293,828	\$242,150	\$871,591	\$2,166,916
1992	\$299,071	\$242,150	\$874,610	\$2,134,392
1993	\$309,046	\$242,150	\$870,496	\$2,149,282
1994	\$262,435	\$243,216	\$788,650	\$1,902,039
1995	\$288,298	\$225,819	\$789,808	\$1,933,784
1996	\$348,238	\$264,198	\$920,730	\$2,302,879
1997	\$344,289	\$233,474	\$863,835	\$2,215,821
1998	\$362,946	\$244,059	\$858,921	\$2,234,307
1999	\$394,822	\$240,299	\$902,308	\$2,349,716
2000	\$418,646	\$256,483	\$949,649	\$2,490,924
2001	\$616,591	\$371,922	\$1,321,047	\$3,546,554

Source: Wyoming BLM Annual Reports, 1991-2001.

<sup>&</sup>lt;sup>a</sup> Includes distribution to county and cities and town within each county.

# 5.0 Economic Activities Attributable to BLM Lands within the Pinedale Field Office

Activities on BLM lands can provide important economic stimulus to local economies. For the Pinedale Field Office, activities such as oil and gas production, grazing and recreation are important to the region. The following section discusses the link between activities on lands within the Pinedale RMPPA and the local economy.

## Oil and Gas Operations

Historical oil and gas production for the Pinedale Field Office was obtained from the BLM. Actual production was obtained from the PI/Dwights production database in combination with well lists provided by the Wyoming Oil and Gas Conservation Commission. The data was used to estimate annual production for this area between 1974 and 2000 and is summarized in Figure 5-1 and 5-2. This area continues to be a very important area in terms of oil and gas production. For instance, Sublette County was the largest producer of natural gas and the fifth largest producer of oil of any county in the state in 2000.

Tables 5-1 through 5-3 provide an estimate of the mineral tax revenues associated with oil and gas production within the planning area for production year 2000. Annual production data within the Pinedale Field Office was used in combination with the average taxable valuation per unit and average tax and royalty rates to estimate ad valorem taxes (county), severance taxes (state) and federal royalties.

Oil and gas production occurring within the planning area generated an estimated \$221 million in mineral tax revenues to the county, state and federal government during fiscal year 2001. Within the Pinedale RMPPA, oil and gas production accounted for 43 percent of the ad valorem taxes and 58 percent of the severance taxes generated in the three-county study area in 2000.

Figure 5-1
Historic Natural Gas Production - Pinedale Field Office

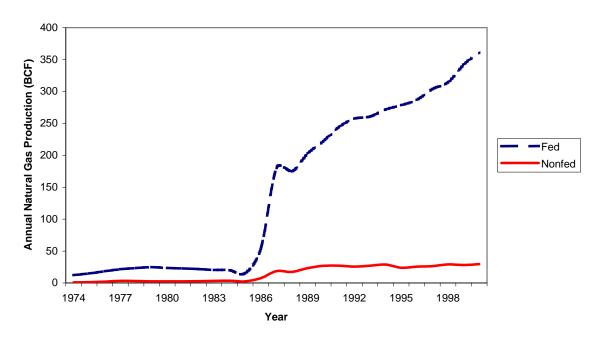


Figure 5-2
Historical Oil Production - Pinedale Field Office

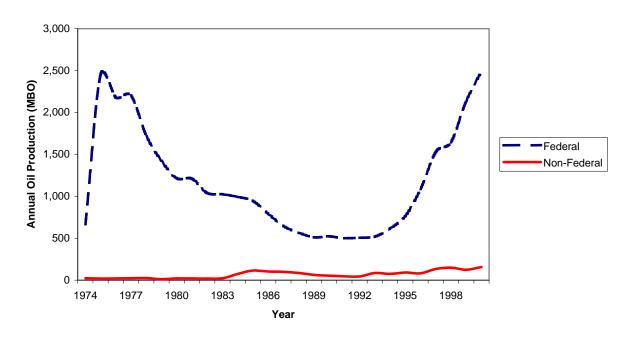


Table 5-1
Estimated Ad Valorem Tax - Production - Pinedale Field Office

Product	Total Annual Production (BBLs/MCF)	Taxable Valuation Per Unit <sup>a</sup>	Assessed Valuation	Average Tax Levy <sup>a</sup>	Total Estimated Ad Valorem
(1)	(2)	(3)	(4) = (2)*(3)	(5)	(6) = (4)/1000*(5)
Oil	2,490,000	\$24.47	\$60,930,300	58.849	\$3,585,687
Natural Gas	361,275,748	\$2.60	\$939,316,945	58.849	\$55,277,863
Total			\$1,000,247,245		\$58,863,550

<sup>&</sup>lt;sup>a</sup> Source: Wyoming Department of Revenue Annual Report - Fiscal Year 2001, Cheyenne, WY.

Table 5-2
Estimated Severance Tax - Production – Pinedale Field Office

Product	Total Annual Production (BBLs/MCF)	Taxable Valuation Per Unit <sup>a</sup>	Assessed Valuation	Average Severance Tax Per Unit of Production <sup>a</sup>	Total Estimated Severance Tax
(1)	(2)	(3)	(4) = (2)*(3)	(5)	(6) = (4)*(5)
Oil	2,490,000	\$24.47	\$60,930,300	0.060	\$3,655,818
Natural Gas	361,275,748	\$2.60	\$939,316,945	0.060	\$56,359,017
Total			\$1,000,247,245		\$60,014,835

<sup>&</sup>lt;sup>a</sup> Source: Wyoming Department of Revenue Annual Report - Fiscal Year 2001, Cheyenne, WY.

Table 5-3
Estimated Federal Royalties - Production – Pinedale Field Office

Product	Total Annual Production (BBLs/MCF)	Taxable Valuation Per Unit <sup>a,b</sup>	Assessed Valuation	Federal Royalty Rate	Total Estimated Federal Royalties
(1)	(2)	(3)	(4) = (2)*(3)	(5)	(6) = (4)*(5)
Oil	2,490,000	\$22.92	\$57,067,319	0.125	\$7,133,415
Natural Gas	361,275,748	\$2.10	\$760,377,067	0.125	\$95,047,133
Total			\$817,444,386		\$102,180,548

<sup>&</sup>lt;sup>a</sup> Source: Wyoming Department of Revenue Annual Report - Fiscal Year 2001, Cheyenne, WY.

Oil and gas operations within the Pinedale RMPPA not only provide an important tax base for this area, but also are important in terms of jobs and income. Moreover, this sector represents an important economic base industry to the regional economy. And it is expected that the economic importance of this industry will continue in the future.

<sup>&</sup>lt;sup>b</sup> Source: Wyoming Taxpayers Association, "Wyoming Property Taxation 2001, Chevenne, WY.

<sup>&</sup>lt;sup>b</sup> The taxable valuation for oil and gas was decreased to account for allowable cost deductions taken by operators prior to paying federal royalties. Therefore, the taxable valuation per barrel of oil is 93.66% of total valuation and 80.95% of total valuation per mcf of natural gas.

# Grazing

Grazing is another important use of BLM lands within the Pinedale Field Office. An estimate was made on the importance of this use in the three-county study area as summarized in Tables 5-4 through 5-7. First, the value of grazing on BLM lands was calculated as shown in Table 5-4. Total estimated annual AUMs were obtained from the BLM. Using data on the number of AUMs utilized in the RMPPA and data on the value of cattle and sheep sales from the Wyoming Statistical Service, the value of grazing on BLM lands for the Pinedale Field Office was estimated to be over \$3 million.

Table 5-4
Estimated Value of Grazing Activities on BLM Lands within the Pinedale Field Office for 1997

Edilliatoa Valao d	Totaling / total titles on b	Em Eamao miami and	, i illoadio i lola Ol	1100 101 1001
Total Estimated	Total Estimated Sheep			Total Value of
Cattle AUMs Attributable	AUMs Attributable to	Value of Cattle	Value of Sheep	Grazing on BLM
to Grazing within Pinedale	Grazing within Pinedale	Grazing – 1997 <sup>a</sup>	Grazing - 1997 <sup>b</sup>	Lands
Field Office - 1997	Office -1997			
104,309	1,075	\$3,317,483	\$29,496	\$3,346,979

<sup>&</sup>lt;sup>a</sup> Cattle grazing was valued per AUM at \$31.80/AUM based on data from the Wyoming Agriculture Statistical Service

The value of grazing AUMs for cattle and sheep were estimated as summarized in Tables 5-5 and 5-6. For cattle AUMS, data was obtained from the Wyoming Agricultural Statistical Service as shown in columns 2 and 3 and include the value of cattle sold in Wyoming for 1997. Total cattle sales were divided by the number of cows that had calved, which provided a value per cow sold as summarized in column 4. The value per cow was then divided by an AUM conversion factor resulting in an estimated value per AUM for 1997. A similar method was used to value sheep AUMS as summarized in Table 5-6.

Table 5-5
Estimated Value of Cattle AUMs

Year	Value of Production (1,000\$s) <sup>a</sup>	Cows that have Calved (1,000 Head) <sup>a</sup>	Value Per Cow	AUM Conversion (AUMs/cow) <sup>b</sup>	Value of Production Per AUM (Nominal \$)	
(1)	(2)	(3)	(4)	(5)	(6)	
1997	\$442,717	870	\$508.87	16	\$31.80	

<sup>&</sup>lt;sup>a</sup> Wyoming Agricultural Statistics

<sup>&</sup>lt;sup>a</sup> Sheep grazing was valued per AUM at \$27.44/AUM based on data from the Wyoming Agriculture Statistical Service

<sup>&</sup>lt;sup>b</sup> J.P. Workman, Range Economics, 1986, McMillian Publishing, Inc. New York, New York.

Table 5-6							
Value of Sheep AUMS	3						

YEAR	Value of Production (Sheep and Lambs) (1,000\$)	Value of Wool Production (1,000\$)	of	Ewes 1 Year and Older (1,000 Head)	Value Per	Conversion to AUMs (AUMs/Ewe)	Value of Production Per AUM
199	97 \$33,935	\$5,576	\$39,511	450	\$87.80	3.2	\$27.44

<sup>&</sup>lt;sup>a</sup> Wyoming Agricultural Statistics

The value of grazing associated with the Pinedale Field Office was then compared to livestock sales during 1997 for the three-county study area. The most recent data on sales was obtained from the 1997 Census of Agriculture published by the National Agricultural Statistical Service. According to Table 5-7, total agricultural sales in the three-county area exceeded \$57 million of which 90 percent was associated with livestock sales. Comparing livestock sales throughout the study area with the value of grazing on BLM lands within the Pinedale RMPPA indicates that grazing activities accounted for 6.5 percent of all livestock sales and 5.9 percent of all agricultural sales for this area.

Table 5-7
Percentage of Agricultural Sales in Study Area Attributed to Grazing on BLM Lands in Pinedale Field
Office for 1997

Total Agricultural Sales - Study Area (\$1,000)	Total Livestock Sales Study Area (\$1,000)	Estimated Value of Grazing on BLM Lands - Rawlins Field Office (\$1,000)	Percentage of Total Livestock Sales	Percentage of Total Agricultural Sales
\$57,140,000	\$51,521,000	\$3,346,979	6.5%	5.9%

Source: U.S. Department of Agriculture, National Agriculture Statistical Service, Census of Agriculture, 1997.

## Recreation

The BLM plays an important role in managing recreational activities in many parts of Wyoming including the Pinedale Field Office. This is due mainly to the large land areas controlled by the BLM and the opportunities they offer to local residents and visitors. Recreation activities available on BLM-administered lands in the planning area are many and varied. Estimated recreational use within the planning area is summarized in Table 5-8.

Recreational use was estimated using Recreational Visitor Days (RVDs)<sup>5</sup> as a unit of measure. The RVDs for the planning area were estimated from two different sources. Most recreational uses were estimated with data from BLM's Recreational Management Information System (RMIS). In this system the BLM tracks recreational use for several

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<sup>&</sup>lt;sup>b</sup> J.P. Workman, *Range Economics*, 1986, McMillian Publishing, Inc. New York, New York.

<sup>&</sup>lt;sup>5</sup> A recreational visitor day is defined as 12-hour period.

areas within Wyoming including the Pinedale Field Office. Using this data, Table 5-8 was constructed, which shows the RVDs per activity for the Pinedale Field Office for a three-year period from 1998- 2002. During this time over 300,000 RVDs occurred within the Pinedale Field Office for a variety of activities. The most popular of these activities were float or raft trips, fishing, climbing – mountain/rock and hiking/walking/running.

Table 5-8
Estimated Annual Recreational Visitor Days – Pinedale Field Office
Oct. 1, 1998 – Sep. 30, 2002

Oct. 1, 1998 – Sep. 30, 2002						
Activity	Recreational Visitor Days					
Archery	760					
Backpacking	4,118					
Bicycling – Mountain	5,066					
Bicycling – Road	16					
Camping	35,168					
Climbing – Mountain/Rock	458					
Driving for Pleasure	4,182					
Environmental Education	55					
Fishing	73,227					
Hiking/Walking/Running	30,581					
Horseback Riding	732					
Nature Study	880					
OHV – ATV	1,268					
OHV – Cars/Trucks/SUVs	155					
Pack Trips	2,746					
Photography	880					
Picnicking	1,366					
Power Boating	789					
Row/Float/Raft	138,630					
Skiing – Cross Country	2,123					
Snowmobiling	12,368					
Staging/Comfort Stop	829					
Swimming/Water Play	854					
Viewing Wildlife	2,727					
<b>Total Recreational Visitor Days</b>	319,978					

Another popular recreational activity within the Pinedale Field Office is hunting. Much of this activity occurs on BLM managed lands due to the fact that they are an important source of habitat for many species, including big game. Big game hunting was estimated with data from the Wyoming Game and Fish because this agency regulates the sport and keeps data on hunting use by animal and area throughout Wyoming. It should be noted that the big game data collected by Game and Fish is considered more reliable than data collected by the BLM. Therefore, hunting days reported under this section may not be directly comparable with BLM recreation days given the differences in estimation procedures and the definition of a recreation day.

The Wyoming Game and Fish Annual Report of Big Game Harvest published for the last ten years was used to estimate the average hunting days by big game species. This was accomplished by adjusting the Game and Fish data by the percentage of acreage within each hunt area contained within the Pinedale Field Office. Using this method it was estimated that residents and nonresidents of Wyoming spend an estimated 40,000 days hunting on average in the planning area on an annual basis as summarized in Table 5-9. Wyoming residents dominate hunting use in this area accounting for over 80 percent of the hunting days on average. Elk is the most popular hunted species with nearly 23,000 hunting days followed by mule deer, antelope, moose and big horn sheep.

Table 5-9
Estimated 10-year Average Big Game Hunting Days - Pinedale Field Office

Estimated to year Attorage Big Same Hanting Baye it intoduce their Since								
	Antelope	Mule Deer <sup>1</sup>	Elk	Moose	Big Horn Sheep			
Residents	1,318	11,414	19,811	539	11			
Non-Residents	433	3,359	3,142	96	2			
Total Hunter Days	1,750	14,774	22,953	635	13			

Source: Wyoming Game and Fish, Annual Report of Big & Trophy Game Harvest, 1991-2000

Recreational activity has important economic value both in terms of the satisfaction it provides local residents and the economic activity in generates for the regional economy. In terms of economic activity, recreation generates additional spending in the local economy that supports jobs and income. Economic stimulus occurs as non-residents to the area spend money in the local economy that generates additional spending by local residents. This assumes that if local residents were not participating in recreation they probably would have spent their money on something else in the region's economy. Thus, expenditures by local residents are seen as a shifting of dollars from one sector to another within the local economy and not a net gain to the region. Outdoor recreation in general is important to the region both in terms of satisfaction to residents and economic stimulus for the regional economy.

## **6.0** Social Characteristics

The social characteristics throughout the Pinedale RMPPA are similar to other small rural western communities. These areas are strongly tied to traditional natural resource base industries such as agriculture and extractive industries. In addition, these areas recognize the importance of public lands of not only providing an important natural resource base for economic activities but in supporting a particular way of life. Public lands also provide scenic beauty, wildlife habitat and world-class recreational opportunities. Because public lands comprise up to 80 percent of the land area within counties in the economic study area, management decisions can affect not only the economic base of local communities but lifestyles as well.

Agriculture has provided the historical basis for community development for much of the nineteenth century. And ranching and grazing are viewed as a viable economic activity that provides open space, protection of natural resources, and support of cultural and ecological diversity. For instance, though agricultural activities have fallen in economic importance in recent years in the economic study area, this industry is very important for

<sup>&</sup>lt;sup>1</sup> Averages for Mule Deer are for 2000 only.

its historic and cultural influences. Moreover, agricultural is viewed as a guardian of resources and an underpinning of cultural resources throughout the Pinedale RMPPA. Because the management decisions of the Pinedale RMPPA affect ranching operations beyond public land boundaries, communities are concerned about the social influences these decisions can have on local communities.

The oil and gas industry has also played a vital role in the social character of the economic study area. This industry has been an important part of the tax base for all three counties for nearly 50 years. The area has experienced several boom and bust cycles throughout its history and has now realized an increase population tied to this industry. These individuals are now active members of local communities and directly affected by management decisions made by the Pinedale Field Office.

In spite of the traditional social characteristics throughout the Pinedale RMPPA, there are indications that these views and beliefs are changing somewhat. Some parts of the economic study area have seen an increase in population. The population increases are a combination of retirees and others attracted to this region for the abundant and high quality air, water and land resources that offer a rich quality of life and a western wilderness heritage. This new population is not tied to traditional natural resource industries and is more likely to support a more conservation orientation for public land management.

## 7.0 Environmental Justice

Executive Order 12898, Federal Action to Address Environmental Justice in Minority Populations and Low-Income Populations, requires identifying and addressing disproportionately high and adverse human health and environmental impacts of Federal programs, policies and activities on minority populations. In order to evaluate potential environmental justice issues, the project team reviewed relevant documents from other Federal agencies, including the following:

- Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, Federal Register at 7630.
- U.S. Environmental Protection Agency, "Interim Final Guidance for Incorporating Environmental Justice Concerns in EPA's Compliance Analysis, Office of Federal Activities," September 30, 1997.
- Council of Environmental Quality, "Environmental Justice: Guidance Under the National Environmental Policy Act," Executive Office of the President, December 1997.

The following five-step method can be used to evaluate potential environmental justice issues associated with land management actions taken by the BLM.

- Step 1 Identify potential minority or low-income populations within the affected study area.
- Step 2 Identify a broad range of potential environmental and human health effects that could affect minority or low-income populations including safety, traffic, air

quality, noise, cultural resources, hazardous waste sites and hazardous materials transport, natural resources, land use and socioeconomics.

- Step 3 Assess whether the potential impacts on minority and low-income populations could be high and adverse.
- Step 4 Conduct extended outreach to minority and low-income populations that could experience potential high and adverse effects.
- Step 5 Evaluate mitigation measures that could be used to minimize adverse impacts to minority and low-income populations.

The analysis of environmental justice issues for the Pinedale MSA will focus on Step 1 of this process.

The project team collected relevant Census data for counties within the study area including Lincoln, Sublette, and Sweetwater counties as well as Wyoming. This includes:

- Total population
- Percent of population of minority status (e.g. Black or African American, Hispanic or Latino, Asian American, American Indian or Alaskan Native, Native Hawaiian and other Pacific Islander)
- Percent of population of low-income status using annual statistical thresholds from the Bureau of the Census Current Population Reports
- Percent of population of minority status for the entire state of Wyoming
- Percent of population of low-income status in the entire state of Wyoming using annual statistical thresholds from the Bureau of the Census Current Population Reports

The data listed above were then used to determine whether the populations residing within the counties in the study area constitute and "environmental justice population" which meets any of the following criteria.

- At least one-half of the population is of minority status
- At least one-half of the population is of low-income status.
- The percentage of population of minority status is at least 10 percentage points higher than for the entire State of Wyoming
- The percentage of population of low-income status is at least 10 percentage points higher than for the entire State of Wyoming

The population distribution by race is summarized in Table 7-1 for all counties in the study area. In addition, Figure 7-1 shows the minority population for each county in the state of Wyoming where minority population is calculated as total population less non-Hispanic white alone. For Lincoln and Sublette counties, where the Pinedale Field Office is located, minority populations are well below the state average while Sweetwater counties have minority populations that are above the state average. Further analysis will need to be conducted to determine if the minority population may be impacted by BLM actions.

Table 7-1
Population Distribution (Percentage) by Race and Hispanic by County: 2000

County	White	Black or African American	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Some Other Race	Two or More Races	Hispanic or Latino (of any race)
Lincoln	97.1	0.1	0.6	0.2	0.1	0.7	1.2	2.2
Sublette	97.5	0.2	0.5	0.2	0.1	0.5	1	1.9
Sweetwater	91.6	0.7	1.0	0.6	0.0	3.6	2.4	9.4
Wyoming	92.1	0.8	2.3	0.6	0.1	2.5	1.8	6.4

Source: U.S. Bureau of Census

Percentages may not add to 100 because individuals may report ethnicity under more than one category.

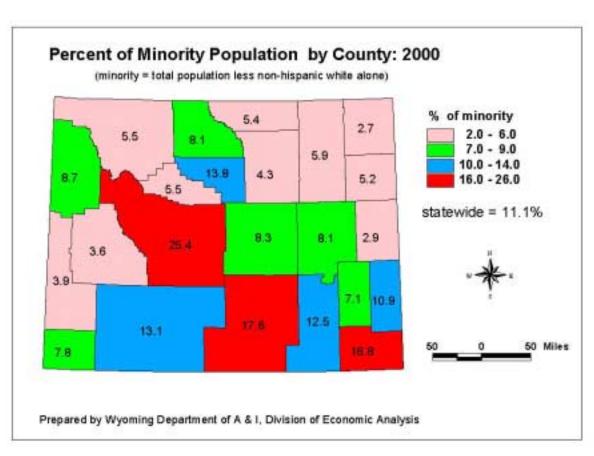


Figure 7-1

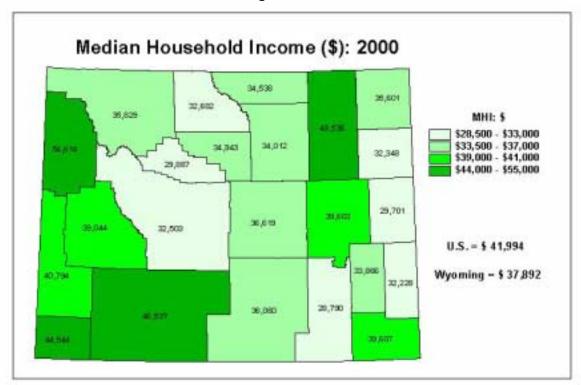
Figure 7-2 summarizes the median household income and poverty rates for each county in Wyoming based on the 2000 Census. This figure shows that the median household income in Lincoln, Sublette and Sweetwater counties are above the state average while poverty levels are lower than poverty levels throughout the state. This indicates the absence of

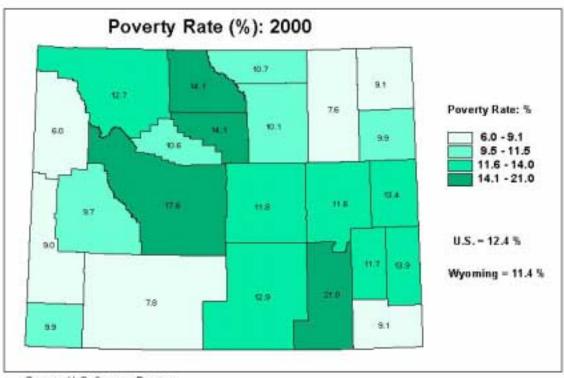
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low-income populations within these three counties that could be impacted by BLM actions. While it appears that the low-income population in this area does not meet one of the four criteria to be classified as an "environmental justice population" there will need to be further analysis to determine if low-income populations may be impacted by BLM management actions.

Figure 7-2





Source: U.S. Census Bureau

Prepared by Wyoming Economic Analysis Division